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Message Text

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43
ACTION EA-10

INFO OCT-01 ISO-00 EB-04 COME-00 TRSE-00 AID-05 CIEP-01

PM-03 NSC-05 SP-02 SS-15 RSC-01 CIAE-00 DODE-00

INR-05 NSAE-00 PA-01 USIA-06 PRS-01 SAJ-01 /061 W
---------- 021268
R 071041Z NOV 74
FM AMEMBASSY BANGKOK
TO SECSTATE WASHDC 8185
INFO AMEMBASSY SAIGON
AMEMBASSY VIENTIANE
USLO PEKING

C O N F I D E N T I A L BANGKOK 17644

E.O. 11652: GDS
TAGS: PFOR, PGOV, TH, LA, CH, VN
SUBJECT: TRANSIT THRU THAILAND OF PRC MANUFACTURED GOODS

REF: A) STATE 239109; B) BANGKOK A-104; C) BANGKOK 10615;
D) BANGKOK A-266

BEGIN SUMMARY: THERE IS NO CONSENSUS AMONG RTG OFFICIALS IN BANGKOK AS TO WHETHER REVOLUTIONARY PARTY (RP) DECREE 53, A REGULATION ENACTED IN 1959, PROHIBITS THE TRANSIT SHIPMENT OF PRC GOODS THROUGH THAILAND TO LAOS. RP 53, HOWEVER, CLEARLY BANS IMPORTATION OF SUCH GOODS INTO THAILAND. THE PRESENT THAI GOVERNMENT HAS URGED THE REPEAL OF RP 53, BUT THE NATIONAL LEGISLATIVE ASSEMBLY (NLA), WHILE ONCE AMENDING THE DECREE, HAS YET TO ABOLISH IT DESPITE SEVEN MONTHS OF DELIBERATIONS. A KEY MINISTRY OF FOREIGN AFFAIRS OFFICER TOLD US THAT PRC GOODS WOULD MEET NO OBSTACLE TRANSITING THAILAND. END SUMMARY.

1. BACKGROUND OF RP 53. FIELD MARSHAL SARIT THANARAT ISSUED ON 17 JANUARY 1959 REVOLUTIONARY PARTY (RP) DECREE 53 WHICH BANNED TRADE WITH PEKING. THE CENTRAL CLAUSE IN THAT DECREE READS "NO GOODS MANUFACTURED OR ORIGINATING
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IN COMMUNIST CHINA OR COMING FROM COMMUNIST CHINA MAY BE

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IMPORTED INTO THE KINGDOM. WHOEVER IMPORTS THE SAID GOODS INTO THE KINGDOM SHALL HAVE COMMITTED THE OFFENSE OF IMPORTING CONTRABAND UNDER THE CUSTOMS LAW." RP 53 IS STILL IN FORCE.

2. ATTEMPTS TO REPEAL RP 53.

A. THE RTG RECOGNIZES THAT REPEAL OF RP 53 IS CENTRAL TO IMPROVING RELATIONS WITH PEKING AND HAS URGED ITS ABOLITION FOR SOME TIME. IN JANUARY 1974 THE CABINET SUCCESSFULLY PETITIONED THE NATIONAL LEGISLATIVE ASSEMBLY (NLA) FOR A PARTIAL REPEAL OF RP 53 FOR CERTAIN SPECIFIC ITEMS. THE NLA BEGAN DEBATE ON LEGISLATION MARCH 23 WHICH WOULD TOTALLY REPEAL THE DECREE. UNEXPECTED OPPOSITION WITHIN THE NAL UPSET THE GOVERNMENT'S PLANS AND THE REPEAL LEGISLATION DID NOT PASS. IT WENT INSTEAD TO A 21-MAN REVIEW COMMITTEE WHICH THANAT KHOMAN, FOREIGN POLICY ADVISOR TO THE PRIME MINISTER, CHAIRED (REF B). THE COMMITTEE RECOMMENDED THREE MONTHS LATER THAT THE ASSEMBLY RETURN THE REPEAL LEGISLATION TO THE CABINET FOR FURTHER CONSIDERATION IN VIEW OF THE MAY 1974 CABINET CHANGE. IT ALSO RECOMMENDED THAT THE CABINET DRAW UP A BILL TO REGULATE TRADE BETWEEN THAILAND AND ANY COUNTRY WHERE TRADE IS GOVERNMENT CONTROLLED (REF C). THE JOINT GOVERNMENT/NLA APPOINTED COMMITTEE THEN DISSOLVED ITSELF. THE SUGGESTED SECOND BILL WAS AN ATTEMPT TO ANSWER CONSERVATIVE MISGIVINGS IN THE NLA THAT WITHOUT CONTROLS THE CHINESE COULD PUT THEIR TRADE EARNINGS AT THE DISPOSAL OF LOCAL INSURGENTS. SOME NLA MEMBERS ALSO URGED CONTROLS SO THAT THE RESULTING TRADE WOULD NOT BE TOO UNBALANCED IN PEKING'S FAVOR (REF B).

B. TO SATISFY THE ABOVE MISGIVINGS, THE CABINET DECIDED, BEFORE IT RESUBMITTED THE BILL TO REPEAL RP 53, TO FORWARD TO THE ASSEMBLY A BILL TO CONTROL TRADE WITH COMMUNIST COUNTRIES VIA A THAI STATE TRADING COMPANY. THE CABINET APPROVED THE STATE OPERATED TRADING BILL ON AUGUST 20. THE ASSEMBLY PASSED THE BILL AUGUST 31 AND SENT IT TO A 15-MAN REVIEW COMMITTEE WHICH THE MINISTER OF COMMERCE, WICHIAN NIWATWONG, HEADS. THE BILL STILL MUST PASS A CONFIDENTIAL

SECOND AND THIRD READING BEFORE PROMULGATION. IN THE MEANTIME THE CABINET IS EXPECTED TO RESUBMIT DRAFT LEGISLATION TO REPEAL RP 53.

C. THE CABINET AND THE MINISTRY OF FOREIGN AFFAIRS (MFA) SUPPORT THE PASSAGE OF THE TWO BILLS (REF D). FOREIGN MINISTER CHARUNPHAN ITSARANGKUN NA AYUTTHAYA HAS PUBLICLY SPOKEN OUT IN FAVOR OF THE PACKAGE LEGISLATION ON A NUMBER

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OF OCCASIONS. A RANKING MFA OFFICIAL EXPLAINED TO US
OCTOBER 26 THAT WHILE THE GOVERNMENT WANTS THE LEGISLATION,
IT DID NOT GIVE PROPER CONSIDERATION TO ATTITUDES WTHIN
THE ASSEMBLY. ONCE THE BUREAUCRACIES AND THE CABINET HAD
DECIDED TO REPEAL RP 53, THEY MERELY ASSUMED THE
ASSEMBLY WOULD GO ALONG. MFA IS EMBARRASSED AT THE
DELAY WHICH COMPLICATES IMPROVING RELATIONS WITH CHINA.

3. COMMENT: WE HAVE MADE A NUMBER OF DISCREET
INQUIRIES AROUND TOWN AS TO WHETHER REVOLUTIONARY PARTY
(RP) DECREE 53 PROHIBITS THE TRANSIT OF CHINESE COMMUNIST
GOODS THROUGH THAILAND TO LAOS. VARIOUS OFFICIALS
FROM THE CUSTOMS DEPARTMENT HAVE ANSWERED ON BOTH SIDES
OF THE QUESTION. A RANKING CUSTOMS' OFFICIAL RESPONDED
THAT RP 53 IS NOT APPLICABLE TO TRANSIT OF GOODS, BUT
THAT AN UNIDENTIFIED JOINT THAI-LAO AGREEMENT PROHIBITS
TRANSIT TRADE IN CHINESE COMMUNIST GOODS. IF SUCH AN
AGREEMENT EXISTS, IT MAY BE A SUBJECT OF CONVERSATION BETWEEN
THE THAI AND LAO FOREIGN MINISTERS CURRENTLY MEETING
IN VIENTIANE. THE USAID/LAOS SUPPORT OFFICE IN BANGKOK
POINTS OUT THAT AMERICAN FOREIGN ASSISTANCE TO LAOS IS
BONDED AND TRANSITS THAILAND WITHOUT TECHNICALLY BEING
IMPORTED INTO THAILAND. IT WOULD THUS SEEM FEASIBLE
THAT OTHER GOODS TRANSITING THAILAND FOR A LOA
DESTINATION WOULD NOT HAVE TO BE OFFICIALLY "IMPORTED"
INTO THAILAND, AND THUS THE RP 53 PROHIBITION WOULD
NOT APPLY. A KEY MINISTRY OF FOREIGN AFFAIRS OFFICIAL
SUPPORTED THIS ANALYSIS NOVEMBER 6. WHEREVER THE
LEGALITY OF THE ISSUE MAY LURK, PRAGMATISM WILL PREVAIL.
THE THAI ARE UNLIKELY TO INVOKE RP 53 TO HINDER CROSS-
THAILAND TRANSIT OF PRC GOODS.
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